

# Leadership Development

## BUSINESS CASE

Date:

Prepared by:

Organisation:

# 01 Business Background

Provide a summary of the current business environment and the issues the organisation is facing.

This may include competitive pressures, global restructuring, talent shortages, poor leadership, lack of systems and processes, and so on. This may also include issues within a particular area of the business, for example: *'With the global shortage we are finding it difficult to attract top software engineers and data scientists.'*

# 02 Issues to Resolve

This section might include reference to such issues as retention, technical skills gaps, soft skills and leadership gaps, attraction, productivity, engagement, diversity, succession planning and talent pipelining. Be specific and use data to highlight the cost of these issues to the organisation in the short and long term. Where possible, use benchmarks and reference data.

It is important to speak in financial and commercial terms when requesting investment. How will you show the return on your investment? [Download our free Return on Learning Dollar Calculator](#) to help you calculate your ROI.

## 03 Underlying Causes

It is important to really understand the causes of these issues to ensure that you identify the right solutions.

For example, if the increased turnover is due to salary pressure as new competitors come into the market and start offering your team 40% salary increases, the solution will be very different from a situation in which the attrition is isolated to one department and one poorly performing manager.

There will be many causes of and solutions to people issues, and it is important to understand how a combination of solutions may be required to resolve an issue. For example, increased attrition due to market salary increases could be mitigated at an individual level with a combination of a smaller increase in salary, an expansion in role (such as a promotion), training and development, or the opportunity to travel to a conference externally. One size never fits all.

Be clear about what risks these identified causes pose to your organisation. Again, use data to provide evidence for your assessment.

***Tip: when framing up (assessing) identified risks, consider the likelihood and the impact of each risk to help you articulate your recommendation in the next section.***

# 04 Recommended Solution

In this area, provide a summary of your solution, including how it will help to mitigate the causes and risks in the above section.

Include how you will measure success and evaluate the results.

# 05 Cost and ROI

Outline all the costs of the program and the expected (as well as minimum) returns required to make this pilot commercially viable.

Activity	Cost



## 06 Next Steps and timing

Ensure that you have a clear plan regarding next steps and timing. This will increase the confidence of those approving your solution and assist you in securing their commitment and endorsement.

Activity	Due Date	Responsibility
Obtain approval of business case and budget		
Present to executive team for buy-in		
Ask for nominations for the program		
Launch program		
Confirm participant opt-in		
Start program		
Mid program review and update		
End of program review		

If you would like some support completing this business case or would like to book a time with one of the team visit us at [peepcoach.com](https://peepcoach.com).



# Peoplcoach Leadership Development

## BUSINESS CASE *EXAMPLE*

Date:

Prepared by:

Organisation:



# 01 Business Background

Provide a summary of the current business environment and the issues the organisation is facing.

This may include competitive pressures, global restructuring, talent shortages, poor leadership, lack of systems and processes, and so on. This may also include issues within a particular area of the business, for example: *'With the global shortage we are finding it difficult to attract top software engineers and data scientists.'*

## Example

*We are in a competitive environment and, like many organisations, we are facing increased attrition and difficulty attracting new staff. Specifically, we are seeing increased churn rate with employees in Bands 3 and 4, \$80K – \$130k salary band, reporting to our Bands 6 and 7 leaders. Some of these issues are being driven by low unemployment and lack of migration but we are also seeing the impact of burnout on many of the team, resulting in some poor leadership behaviours and outcomes. Our exit interviews highlight that we have some training and development issues.*

# 02 Issues to Resolve

This section might include reference to such issues as retention, technical skills gaps, soft skills and leadership gaps, attraction, productivity, engagement, diversity, succession planning and talent pipelining. Be specific and use data to highlight the cost of these issues to the organisation in the short and long term. Where possible, use benchmarks and reference data.

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## Example

*Over the last 12 months our attrition rate has increased from 12% to 25%. This means we have had to recruit 50 new hires versus our standard 25. The costs incurred include the following.*

- Additional recruitment costs – \$300,000*
- Manager lost time and productivity, assuming 100 people hours per each new recruitment and onboarding process at average manager's hourly rate of \$100 per hour = \$10,000 in additional costs x 25 additional hires – \$250,000*
- Assuming it takes three months for new hires to get up to speed, with the average remuneration of the new hire at \$120,000, this means that we have lost \$30,000 in productivity x 25 – \$750,000*

*The churn has cost the organisation a minimum of \$1.3 million based on the assumptions above.*

## 03 Underlying Causes

It is important to really understand the causes of these issues to ensure that you identify the right solutions.

For example, if the increased turnover is due to salary pressure as new competitors come into the market and start offering your team 40% salary increases, the solution will be very different from a situation in which the attrition is isolated to one department and one poorly performing manager.

There will be many causes of and solutions to people issues, and it is important to understand how a combination of solutions may be required to resolve an issue. For example, increased attrition due to market salary increases could be mitigated at an individual level with a combination of a smaller increase in salary, an expansion in role (such as a promotion), training and development, or the opportunity to travel to a conference externally. One size never fits all.

Be clear about what risks these identified causes pose to your organisation. Again, use data to provide evidence for your assessment.

**Tip: when framing up (assessing) identified risks, consider the likelihood and the impact of each risk to help you articulate your recommendation in the next section.**

### Example

*Feedback from our exit surveys have indicated the following causes of attrition.*

- *Poor communication by leaders – unclear expectations, unclear strategy, too much change.*
- *Too far to travel to work now that we are back in the office four days a week.*
- *More money and better benefits from other organisations.*
- *I am unsure of my career growth and ability to develop here.*
- *Insufficient training and development.*

## 04 Recommended Solution

In this area, provide a summary of your solution, including how it will help to mitigate the causes and risks in the above section.

Include how you will measure success and evaluate the results.

### Example

*Our recommendation is to pilot the Peepcoach Developing Leader Program. This program will be specifically targeting our Bands 6 and 7 leaders, who manage approximately 65% of the workforce.*

*The objective of the program will be to provide these individuals with the tools and skills to have more robust conversations with their teams, understand their role as a leader, learn the skill of delegation and help them have career conversations.*

*Many of these leaders were promoted to their new leadership roles during the pandemic and have had no training and development as they have transitioned from technical managers to leaders of teams.*

*Specifically, we would like to pilot a program with 15 leaders (of the 80) to understand the impact and ROI.*

*Success of the program will be measured as by the following.*

- *Increased productivity of each team member as determined by their leader.*
- *Increased engagement as determined by pre- and post-program rating by the cohort.*
- *Decreased attrition rate.*
- *Number of promotions for the participants compared to the wider cohort.*
- *Pre- and post-program 360° assessments of each leader to track behaviour change.*

# 05 Cost and ROI

Outline all the costs of the program and the expected (as well as minimum) returns required to make this pilot commercially viable.

## Example

Activity	Cost
15 x Developing Leader Program at \$3588 per person	\$53,820
Travel for participants - launch only	\$1,000
Learning and Development Manager time of 48 hours (4 hours per month) over 12 months at \$65 per hour	\$3,120
<b>Total cost</b>	<b>\$57,940</b>

Metric	Return
Increase productivity by 10% based on assumption that each leader delivers \$350,000 of value to their role based on \$180,000 annual salary. This would mean that would add \$35,000 increased value per leader.	\$525,000
Decreased attrition – of the 15 people on the program, we encourage 1 additional person to stay, saving recruitment and onboarding costs.	\$40,000
<b>Total return</b>	<b>\$565,000</b>
<b>Total cost</b>	<b>\$57,940</b>
<b>Return on investment</b>	<b>975%</b>

## 06 Next Steps and Timing

Ensure that you have a clear plan regarding next steps and timing. This will increase the confidence of those approving your solution and assist you in securing their commitment and endorsement.

### Example

Activity	Due Date	Responsibility
Obtain approval of business case and budget	1/12/23	Pooja
Present to executive team for buy-in	10/12/23	Pooja
Ask for nominations for the program	5/01/24	John
Launch program	1/02/24	Pooja & John
Confirm participant opt-in	10/02/24	John
Start program	15/02/24	N/A
Mid program review and update	15/08/24	Pooja & John
End of program review	17/02/25	Pooja, John & Allon

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